

With the implementation of Executive Order 117, effective November 15, 2008, the laws governing political contributions were expanded in three major ways. These three changes do not change Chapter 51, but provide additional measures to the statute. The first change is the expanded definition of “business entity”, thus increasing the number of organizations and individuals whose contributions are restricted. The second change is the regulation of contributions to legislative leadership committees and municipal political party committees. Thirdly, is the restriction of contributions to the candidate committee or election fund of a candidate for the newly created office of Lieutenant Governor. Please see below for a side-by-side comparison of Chapter 51 and Executive Order 117.

DEFINITION OF “BUSINESS ENTITY”

CHAPTER 51

BUSINESS ENTITY MEANS:

Any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity

organized under the laws of this State or any other state or foreign jurisdiction. The definition of a business entity includes: (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity,

other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing therewith, are also included within this definition.

EXECUTIVE ORDER 117

BUSINESS ENTITY MEANS:

- A. in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns 10% or more of the stock of the corporation: (*Officers do not require ownership interest.*)
- B. in the case of a general partnership: the partnership and any partner; (*General Partners having any equity interest.*)
- C. in the case of a limited partnership: the limited partnership and any partner; (*Limited Partners having any equity interest.*)
- D. in the case of a professional corporation: the professional corporation and any shareholder or officer;
- E. in the case of a limited liability company: the limited liability company and any member; (*Members having any equity interest.*)
- F. in the case of a limited liability partnership: the limited liability partnership and any partner; (*Limited Liability Partners having any equity interest.*)
- G. in the case of a sole proprietorship: the proprietor; and
- H. in the case of any other form of entity organized under the laws of this State or any other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;
- J. any subsidiary directly or indirectly controlled by the business entity;
- K. any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and
- L. with respect to an individual who is included within the definition of business entity, that individual's spouse or civil union partner, and any child residing with the individual, provided, however, that, this Order shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of P.L. 2005, c.51 (C.19:44A-20.13 et seq.) (“Chapter 51”).

PROHIBITIVE CONTRIBUTIONS

CHAPTER 51

Any candidate committee and/or election fund of any candidate for or holder of the public office of Governor; or to any State or County political party committee.

EXECUTIVE ORDER 117

Legislative Leadership Committees
Municipal Political Party Committees
Candidate Committee or Election Fund of
any candidate for or holder of the Office
of Lieutenant Governor.